

therefor the following: "the chairman of said committee."

MARTIN.

Read and adopted by viva voce vote.

Rule 107.

Adopted as read.

Motion to Adjourn.

Senator Van Zandt at 4:40 o'clock p. m., moved to adjourn until 10 o'clock a. m., Wednesday.

The motion prevailed by viva voce vote.

APPENDIX.

Committee Reports.

Committee Room,
Austin, Texas, Jan. 22, 1935.
Hon. Walter F. Woodul, President of the Senate.

Sir: We, your Committee on Judicial Districts, to whom was referred H. B. No. 226, A bill to be entitled "An Act amending H. B. No. 49, Chapter 23, enacted by the First Called Session of the Forty-second Legislature, and brought forward in the codification of the statutes as Section 124 of Article 199, Revised Statutes; creating the 124th Judicial District to be constituted of Gregg County, Texas only; providing for the terms thereof; providing that such amendment should take the place of H. B. No. 49, Chapter 23, Section 124, of Article 199, enacted by the First Called Session of the Forty-second Legislature; providing that such amendment, in so far as it affects the creation of the 124th Judicial District of Gregg County, Texas, the appointment of a suitable judge therefor, and other matters relating to the duties of said court, or affecting the same, should not become operative until August 13, 1935, etc., and declaring an emergency."

Have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass, and be not printed.

MARTIN, Chairman.

Committee Room,
Austin, Texas, Jan. 22, 1935.
Hon. Walter F. Woodul, President of the Senate.

Sir: We, your Committee on Public Debts, to whom was referred

S. B. No. 78, A bill to be entitled "An Act amending Article 7941, Revised Civil Statutes, 1925, by adding thereto Article 7941a, authorizing any fresh water supply district which has heretofore been organized under the laws of the State and has issued bonds, and any fresh water supply district hereafter organized and which may issue bonds, to refund such bonds by issuing new coupon bonds for such purposes; prescribing the rate of interest such bond shall bear, the maturities thereof, and manner of execution; providing for the approval of such bonds by the Attorney General and registration by the Comptroller; and declaring an emergency."

Have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass, and be not printed.

COTTEN, Vice-Chairman.

Committee Room,
Austin, Texas, Jan. 22, 1935.
Hon. Walter F. Woodul, President of the Senate.

Sir: We, your Committee on Public Debts, to whom was referred

S. B. No. 79, A bill to be entitled "An Act amending Article 8136, Revised Civil Statutes 1925, by adding thereto Article 8136a, authorizing any drainage district which has heretofore been organized under the laws of the State and has issued bonds, and any drainage district hereafter organized, and which may issue bonds, to refund such bonds by issuing new coupon bonds for such purpose; prescribing the rate of interest such bonds shall bear, the maturities thereof, and manner of execution; providing for the approval of such bonds by the Attorney General and registration by the Comptroller, and declaring an emergency."

Have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass, and be not printed.

COTTEN, Vice-Chairman.

ELEVENTH DAY.

Senate Chamber,
Austin, Texas,
January 23, 1935.

The Senate met at 10 o'clock a. m., pursuant to adjournment, and was called to order by Lieutenant Governor Walter F. Woodul.

The roll call disclosed a quorum, the following Senators being present:

Beck.	Neal.
Blackert.	Oneal.
Burns.	Pace.
Collie.	Poage.
Cotten.	Rawlings.
Davis.	Redditt.
DeBerry.	Regan.
Duggan.	Sanderford.
Fellbaum.	Shivers.
Hill.	Small.
Holbrook.	Stone.
Hopkins.	Sulak.
Hornsby.	Van Zandt.
Hughston.	Westerfeld.
Martin.	Woodruff.
Moore.	

Prayer by the Chaplain.

Further reading of the Journal was dispensed with on motion of Senator Hill.

Committee Reports.

(See Appendix.)

Bills and Resolutions.

Senate Bill No. 136.

By Senator Redditt:

S. B. No. 136, A bill to be entitled "An Act making certain emergency appropriations out of the General Fund of the State of Texas for the Attorney General's Department for the balance of the fiscal year ending August 31, 1935, and declaring an emergency."

Read and referred to the Committee on Finance.

Senate Bill No. 137.

By Senator Redditt:

S. B. No. 137, A bill to be entitled "An Act making appropriations to pay miscellaneous claims, and authorizing payment of said miscellaneous claims on taking effect of this Act, and declaring an emergency."

Read and referred to the Committee on Finance.

Senate Bill No. 138.

By Senator Redditt:

S. B. No. 138, A bill to be entitled "An Act relating to the salaries of all State officers and all State employees, except judges of the district and all appellate courts, judges of the Supreme Court Commission of

Appeals, judges of the commission in aid of the Court of Criminal Appeals, Attorney General and those constitutional State officers whose salaries are specifically fixed by the Constitution; repealing all laws and parts of laws in conflict herewith, and declaring an emergency."

Read and referred to the Committee on Finance.

Senate Bill No. 139.

By Senators Duggan, Woodruff and Westerfeld:

S. B. No. 139, A bill to be entitled "An Act amending S. B. No. 12, Chapter 190, page 269, Acts of Regular Session, Fortieth Legislature, and declaring an emergency."

Read and referred to the Committee on Insurance.

Senate Bill No. 140.

By Senators Duggan, Woodruff and Westerfeld:

S. B. No. 140, A bill to be entitled "An Act amending Article 4754, Revised Civil Statutes of 1925, and declaring an emergency."

Read and referred to the Committee on Insurance.

Senate Bill No. 141.

By Senator Small:

S. B. No. 141, A bill to be entitled "An Act amending Article 2910 of the Revised Civil Statutes of the State of Texas, 1925, eliminating from the said Article the provision which prohibits any person interested in the publication of textbooks or in selling the same to be used in the public schools of this State from being eligible to hold certain positions in the public schools in this State, and declaring an emergency."

Read and referred to the Committee on Educational Affairs.

H. C. R. No. 16.

The Chair recognized Senator Shivers to take up H. C. R. No. 16 which was an emergency measure.

H. C. R. No. 16, Concerning acreage to be planted in rice.

Whereas, It has become known to the Legislature of Texas that the United States Department of Agriculture, in limiting the acreage to be planted in wheat, corn, and cotton, assigns and prorates that quota to

be planted in corn and cotton to the land heretofore planted to such crops; and,

Whereas, The United States Department of Agriculture has heretofore assigned, and now proposes to assign, the quota of acreage to be planted in rice to individuals heretofore engaged in the business of planting rice; and,

Whereas, There exists, in the opinion of the Legislature of Texas, no reason why such difference should exist in the plant with respect to the control and limitation of said crops; and,

Whereas, The Legislature of Texas is in favor of making the system of controlling the acreage for rice, wheat, corn, and cotton the same as heretofore applied to cotton, wheat, and corn, with respect to assigning the quota to the land instead of the individual; now, therefore, be it

Resolved by the House of Representatives, the Senate concurring, That the Legislature of Texas recommend to the Department of Agriculture of the United States and request it to assign the acreage to be planted in rice to the land adapted to the cultivation of rice in fair proportions, based upon the acreage heretofore planted to rice on said land, as applied to wheat, corn, and cotton acreage, and that a copy of this resolution be forwarded to the Secretary of Agriculture of the United States.

The resolution was adopted.

Senate Bill No. 142.

By Senators Redditt and Moore:

S. B. No. 142, A bill to be entitled "An Act relating to the salaries of Judges of the Supreme Court, Court of Criminal Appeals, Judges of the Supreme Court Commission of Appeals, Judges of the Commission in aid of the Court of Criminal Appeals, Judges of the Courts of Civil Appeals, and District Courts, including Criminal District Courts of this State; repealing all laws and parts of laws in conflict herewith; and declaring an emergency."

Read and referred to the Committee on Finance.

Senate Bill No. 143.

By Senators Hopkins, Stone, Martin, Hornsby, Fellbaum, Sulak, and Davis:

S. B. No. 143, A bill to be entitled "An Act prohibiting any owner or

person having control of any horse, mule, donkey, cow, bull, steer, hog, sheep, goat or any other livestock from permitting or allowing the same to traverse or roam at large upon the right of way of any designated State highway of this State, where same is enclosed by fences, unattended, providing a penalty and declaring an emergency."

Read and referred to the Committee on State Highways and Motor Traffic.

Senate Bill No. 144.

By Senators Hornsby and Hughston:

S. B. No. 144, A bill to be entitled "An Act to amend Subdivision 4 of Article 2622n, Chapter 19-B, Title 49 of Revised Statutes of Texas of 1925 (being Subdivision 4 of Section 8, Chapter 113, Acts of Thirtieth Legislature, 1925), providing the conditions upon which a common, or independent, school district shall be eligible to receive aid from State appropriations for aid of rural schools and schools in small towns, as provided in said chapter, so as to authorize such aid to schools in both common and independent districts where there is contribution to said schools otherwise than by taxation, an amount not less than a tax of seventy-five cents on the hundred dollars valuation on property within the district would produce; and declaring an emergency."

Read and referred to the Committee on Educational Affairs.

Senate Bill No. 81.

The Chair laid before the Senate on its second reading, the following bill, which had been set for special order after the morning call:

By Senator Moore:

S. B. No. 81, A bill to be entitled "An Act amending Article 4204 of the Revised Civil Statutes of 1925 by adding thereto a provision authorizing guardians of estates owning real estate which has been foreclosed upon to file an application to the court for authority to convey said real estate to former owner and mortgage debtor thereof who is eligible for a loan thereon from the Home Owners' Loan Corporation, the Federal Land Bank or any other entity, corporation or agency now created, or hereafter to be created, by any Act or Acts of Congress or of

the State of Texas, for a consideration partly or entirely evidenced by vendor's lien notes, authorizing an order to be entered thereon approving such conveyance, authorizing the assignment of the notes taken in exchange for the conveyance to such leading agency in exchange for bonds thereof, providing that the provision of Article 4204 in regard to credit sales of real estate by guardians may be dispensed with in all such cases, and declaring an emergency."

Senator Moore sent up the following amendment:

Amend S. B. No. 81 by adding after the words "suit or" in line 45, the words "by sale under deed of trust, or"

MOORE,

Read and adopted by viva voce vote.

The committee report recommending that the bill be printed was adopted by unanimous consent.

The bill was read second time as amended and passed to engrossment by viva voce vote.

On motion of Senator Moore, the constitutional rule requiring bills to be read on three several days was suspended and S. B. No. 81 was put on its third reading and final passage by the following vote:

Yeas—31.

Beck.	Neal.
Blackert.	Oneal.
Burns.	Pace.
Collie.	Poage.
Cotten.	Rawlings.
Davis.	Redditt.
DeBerry.	Regan.
Duggan.	Sanderford.
Fellbaum.	Shivers.
Hill.	Small.
Holbrook.	Stone.
Hopkins.	Sulak.
Hornsby.	Van Zandt.
Hughston.	Westerfeld.
Martin.	Woodruff.
Moore.	

Read third time and finally passed by the following vote:

Yeas—31.

Beck.	Fellbaum.
Blackert.	Hill.
Burns.	Holbrook.
Collie.	Hopkins.
Cotten.	Hornsby.
Davis.	Hughston.
DeBerry.	Martin.
Duggan.	Moore.

Neal.	Shivers.
Oneal.	Small.
Pace.	Stone.
Poage.	Sulak.
Rawlings.	Van Zandt.
Redditt.	Westerfeld.
Regan.	Woodruff.
Sanderford.	

Senate Bill No. 91.

The Chair laid before the Senate on its second reading the following bill, which had been set for special order today, after the morning call:

By Senators Blackert and Hopkins:

S. B. No. 91, A bill to be entitled "An Act to amend Article 4941, Revised Civil Statutes of 1925, and declaring an emergency."

Senator Hopkins explained the bill.

The committee report recommending that the bill be printed was adopted by unanimous consent.

The bill was read second time and passed to engrossment by viva voce vote.

On motion of Senator Hopkins, the constitutional rule requiring bills to be read on three several days was suspended and S. B. No. 91 was put on its third reading and final passage by the following vote:

Yeas—30.

Beck.	Neal.
Blackert.	Oneal.
Burns.	Pace.
Collie.	Poage.
Cotten.	Rawlings.
Davis.	Redditt.
DeBerry.	Regan.
Duggan.	Sanderford.
Fellbaum.	Shivers.
Hill.	Small.
Hopkins.	Stone.
Hornsby.	Sulak.
Hughston.	Van Zandt.
Martin.	Westerfeld.
Moore.	Woodruff.

Nays—1.

Holbrook.

Read third time and finally passed by the following vote:

Yeas—30.

Beck.	Davis.
Blackert.	DeBerry.
Burns.	Duggan.
Collie.	Fellbaum.
Cotten.	Hill.

Hopkins.	Redditt.
Hornsby.	Regan.
Hughston.	Sanderford.
Martin.	Shivers.
Moore.	Small.
Neal.	Stone.
Oneal.	Sulak.
Pace.	Van Zandt.
Poage.	Westerfeld.
Rawlings.	Woodruff.

Nays—1.

Holbrook.

Senate Bill No. 92.

The Chair laid before the Senate on its second reading the following bill, which had been set for special order today, after the morning call:

By Senator Blackert:

S. B. No. 92, A bill to be entitled "An Act to amend Article 392, Revised Civil Statutes of 1925, and declaring an emergency."

The committee report recommending that the bill be printed was adopted by unanimous consent.

The bill was read second time and passed to engrossment by viva voce vote.

On motion of Senator Blackert, the constitutional rule requiring bills to be read on three several days was suspended and S. B. No. 92 was put on its third reading and final passage by the following vote:

Yeas—30.

Beck.	Neal.
Blackert.	Oneal.
Burns.	Pace.
Collie.	Poage.
Cotten.	Rawlings.
Davis.	Redditt.
DeBerry.	Regan.
Duggan.	Sanderford.
Fellbaum.	Shivers.
Hill.	Small.
Hopkins.	Stone.
Hornsby.	Sulak.
Hughston.	Van Zandt.
Martin.	Westerfeld.
Moore.	Woodruff.

Nays—1.

Holbrook.

Read third time and finally passed by the following vote:

Yeas—30.

Beck.	Burns.
Blackert.	Collie.

Cotten.	Pace.
Davis.	Poage.
DeBerry.	Rawlings.
Duggan.	Redditt.
Fellbaum.	Regan.
Hill.	Sanderford.
Hopkins.	Shivers.
Hornsby.	Small.
Hughston.	Stone.
Martin.	Sulak.
Moore.	Van Zandt.
Neal.	Westerfeld.
Oneal.	Woodruff.

Nays—1.

Holbrook.

Senate Bill No. 93.

The Chair laid before the Senate on its second reading the following bill, which had been set for special order today, after the morning call:

By Senators Hopkins and Blackert:

S. B. No. 93, A bill to be entitled "An Act amending Article 5006 of the Revised Civil Statutes, 1925, amended by Acts 1933, Forty-third Legislature, page 851, Chapter 242, and declaring an emergency."

The committee report recommending that the bill be printed was adopted by unanimous consent.

The bill was read second time and passed to engrossment by viva voce vote.

On motion of Senator Hopkins, the constitutional rule requiring bills to be read on three several days was suspended and S. B. No. 93 was put on its third reading and final passage by the following vote:

Yeas—30.

Beck.	Neal.
Blackert.	Oneal.
Burns.	Pace.
Collie.	Poage.
Cotten.	Rawlings.
Davis.	Redditt.
DeBerry.	Regan.
Duggan.	Sanderford.
Fellbaum.	Shivers.
Hill.	Small.
Hopkins.	Stone.
Hornsby.	Sulak.
Hughston.	Van Zandt.
Martin.	Westerfeld.
Moore.	Woodruff.

Nays—1.

Holbrook.

Read third time and finally passed by the following vote:

Yeas—30.

Beck.	Neal.
Blackert.	Oneal.
Burns.	Pace.
Collie.	Poage.
Cotten.	Rawlings.
Davis.	Redditt.
DeBerry.	Regan.
Duggan.	Sanderford.
Fellbaum.	Shivers.
Hill.	Small.
Hopkins.	Stone.
Hornsby.	Sulak.
Hughston.	Van Zandt.
Martin.	Westerfeld.
Moore.	Woodruff.

Nays—1.

Holbrook.

Senate Bill No. 94.

The Chair laid before the Senate on its second reading the following bill, which had been set for special order today, after the morning call:

By Senators Hopkins and Blackert:

S. B. No. 94, A bill to be entitled "An Act to amend Article 4766, Revised Civil Statutes of 1925, as amended Acts 1929, Forty-first Legislature, page 497, Chapter 237, and declaring an emergency."

The committee report recommending that the bill be printed was adopted by unanimous consent.

The bill was read second time and passed to engrossment by viva voce vote.

On motion of Senator Hopkins, the constitutional rule requiring bills to be read on three several days was suspended and S. B. No. 94 was put on its third reading and final passage by the following vote:

Yeas—30.

Beck.	Hughston.
Blackert.	Martin.
Burns.	Moore.
Collie.	Neal.
Cotten.	Oneal.
Davis.	Pace.
DeBerry.	Poage.
Duggan.	Rawlings.
Fellbaum.	Redditt.
Hill.	Regan.
Hopkins.	Sanderford.
Hornsby.	Shivers.

Small.
Stone.
Sulak.

Van Zandt.
Westerfeld.
Woodruff.

Nays—1.

Holbrook.

Read third time and finally passed by the following vote:

Yeas—30.

Beck.	Neal.
Blackert.	Oneal.
Burns.	Pace.
Collie.	Poage.
Cotten.	Rawlings.
Davis.	Redditt.
DeBerry.	Regan.
Duggan.	Sanderford.
Fellbaum.	Shivers.
Hill.	Small.
Hopkins.	Stone.
Hornsby.	Sulak.
Hughston.	Van Zandt.
Martin.	Westerfeld.
Moore.	Woodruff.

Nays—1.

Holbrook.

Senate Bill No. 95.

The Chair laid before the Senate on its second reading the following bill which had been set for special order today after the morning call:

By Senators Hopkins and Blackert:

S. B. No. 95, A bill to be entitled "An Act to amend Article 416, Revised Civil Statutes of 1925, as amended Acts 1929, Forty-first Legislature, First Called Session, page 48, Chapter 17, and declaring an emergency."

The committee report recommending that the bill be printed was adopted by unanimous consent.

The bill was read second time and passed to engrossment by viva voce vote.

On motion of Senator Hopkins the constitutional rule requiring bills to be read on three several days was suspended and S. B. No. 95 was put on its third reading and final passage by the following vote:

Yeas—30.

Beck.	Cotten.
Blackert.	Davis.
Burns.	DeBerry.
Collie.	Duggan.

Fellbaum.	Rawlings.
Hill.	Redditt.
Hopkins.	Regan.
Hornsby.	Sanderford.
Hughston.	Shivers.
Martin.	Small.
Moore.	Stone.
Neal.	Sulak.
Oneal.	Van Zandt.
Pace.	Westerfeld.
Poage.	Woodruff.

Nays—1.

Holbrook.

Read third time and finally passed
by the following vote:

Yeas—30.

Beck.	Neal.
Blackert.	Oneal.
Burns.	Pace.
Collie.	Poage.
Cotten.	Rawlings.
Davis.	Redditt.
DeBerry.	Regan.
Duggan.	Sanderford.
Fellbaum.	Shivers.
Hill.	Small.
Hopkins.	Stone.
Hornsby.	Sulak.
Hughston.	Van Zandt.
Martin.	Westerfeld.
Moore.	Woodruff.

Nays—1.

Holbrook.

Senate Bill No. 96.

The Chair laid before the Senate on its second reading the following bill, which had been set for special order today after the morning call:

By Senators Hopkins and Blackert:

S. B. No. 96, A bill to be entitled "An Act to amend Article 4725 of the Revised Civil Statutes of 1925, as amended Acts 1931, Forty-second Legislature, page 256, Chapter 153, and declaring an emergency."

The committee report recommending that the bill be printed was adopted by unanimous consent.

The bill was read second time and passed to engrossment by viva voce vote.

On motion of: Senator Hopkins the constitutional rule requiring bills to be read on three several days was suspended and S. B. No. 96 was

put on its third reading and final passage by the following vote:

Yeas—30.

Beck.	Neal.
Blackert.	Oneal.
Burns.	Pace.
Collie.	Poage.
Cotten.	Rawlings.
Davis.	Redditt.
DeBerry.	Regan.
Duggan.	Sanderford.
Fellbaum.	Shivers.
Hill.	Small.
Hopkins.	Stone.
Hornsby.	Sulak.
Hughston.	Van Zandt.
Martin.	Westerfeld.
Moore.	Woodruff.

Nays—1.

Holbrook.

Read third time and finally passed
by the following vote:

Yeas—30.

Beck.	Neal.
Blackert.	Oneal.
Burns.	Pace.
Collie.	Poage.
Cotten.	Rawlings.
Davis.	Redditt.
DeBerry.	Regan.
Duggan.	Sanderford.
Fellbaum.	Shivers.
Hill.	Small.
Hopkins.	Stone.
Hornsby.	Sulak.
Hughston.	Van Zandt.
Martin.	Westerfeld.
Moore.	Woodruff.

Nays—1.

Holbrook.

Senate Bill No. 97.

The Chair laid before the Senate on its second reading the following bill, which had been set for special order today after the morning call:

By Senators Hopkins and Blackert:

S. B. No. 97, A bill to be entitled "An Act amending Chapter 18, Acts of the Third Called Session of the Forty-second Legislature by adding thereto Section 4-a so as to authorize building and loan associations to make loans under the terms and provisions of Title II of the National

Housing Act and to except such loans from the limitations prescribed by said chapter, and declaring an emergency."

Senator Redditt sent up the following amendments:

Amendment No. 1.

Amend S. B. No. 97, by striking out all below the enacting clause and inserting in lieu thereof the following:

Section 1. That Section 21-A as enacted by Chapter 16, Acts of the Third Called Session of the 42nd Legislature be, and the same is, hereby amended so as to hereafter read as follows:

"Sec. 21-A REORGANIZATION—Any Building and Loan Association heretofore or hereafter organized under the laws of this State shall have the power in any special meeting called for that purpose to reorganize the association and provide for the transaction of its future business under the laws of this State relating to Building and Loan Associations or its plan of reorganization may provide for reincorporation under a Federal Act as well as under the State law, and that all, or a part of its assets, properties, engagements and funds may be transferred to any other building and loan or savings and loan association organized under the laws of this State, or of the United States providing for the incorporation and operation of Federal Savings and Loan Associations upon such terms as may be contained in such plan of reorganization sent to each shareholder for his or her vote. If such reorganization plan shall provide that a part or all of the assets of the association shall be transferred to another association, such other association shall be organized for that purpose and the assets so transferred shall constitute its original paid in capital. In either instance, in order to perfect such reorganization a vote of two-thirds of the shares of the members of the association who vote at such meeting shall be necessary. No such meeting shall be called for such purpose nor shall such plan be submitted to the shareholders unless and until the plan shall have first been approved and adopted by a majority of the directors of such association, called for the purpose of

considering the adoption of such plan, notice of such meeting shall be given by mailing such notice from the home office of such association to each shareholder at least thirty days prior to the date of such meeting in a sealed envelope, postage paid, addressed to the shareholder at the last known address and such meeting shall be otherwise provided for and conducted as shall be provided in such plan; in addition to sending out notice as provided for mail in this Section to the shareholders of such association, notice of the proposed re-organization shall be advertised for four weeks consecutively at least once a week in a newspaper published and circulated in the municipality in which the association is located, which advertisement shall be signed by the Secretary of the association and shall state the time and place and the purpose for which such meeting is called; provided, however that shareholders may vote in person, by proxy or by mail and that all votes shall be cast by ballot and the Banking Commissioner or any examiner, deputy, assistant deputy or clerk so designated by said Banking Commissioner, shall supervise and direct the method and procedure of said meeting and appoint adequate inspectors to conduct the voting of such meeting, who shall have power to determine all questions of the verification of the ballots, the ascertainment of the validity thereof, the qualification of the voter and the canvass of the vote and to certify to the Banking Commissioner and to the Association the result thereof and with respect thereto shall act under such rules and regulations as shall be prescribed by the Banking Commissioner; that all necessary expenses incurred by the Banking Commissioner shall be paid by the association as certified to by him. The plans of reorganization may provide for re-incorporation under the existing corporate name, or under a different name, and in addition to all other lawful provisions may provide for the exchange of shares in the association for shares of the same or a different class in the reorganized association, and may fix the time or times prior to which notice of withdrawal or such shares so issued in exchange for shares in the association being reorganized shall not be given, and if the with-

drawal of such shares is so postponed, such fact shall be printed or stamped upon the face of the certificates and/or pass-books evidencing shares so to be issued. The reorganization of such building and loan association shall not prejudice the right of any creditor of any such association to have payment of his debt out of the assets and property thereof, nor shall any creditor be thereby deprived of or prejudiced in any right of action then existing against the officers or directors of said association for any neglect or misconduct; all obligations to any such prior association shall inure to the benefit of the reorganized association and enforceable by it and in its name, and demands, claims and rights of action against any such association may be enforced against it as fully and completely as they might have been enforced theretofore; and all deeds, notes, mortgages, contracts, judgments, transactions and proceedings whatsoever theretofore made, received, entered into, carried on or done by such association before such re-incorporation shall be as good, valid, and effectual in law as though such association had continued to operate under its original certificate of incorporation. The privilege of reorganization is likewise extended to building and loan associations that are now or may hereafter be in the course of voluntary or involuntary liquidation; and providing further; that no reorganization provided herein shall take effect until the terms and conditions have been approved by the Banking Commissioner of Texas, or by the court in which the receiver was appointed, if the association sought to be recognized is being conducted under a receivership, and until a copy of the resolution, certified by a majority of the board of directors of such association, or by the receiver, shall be filed with said Banking Commissioner of Texas, and recorded in the same manner provided for amendments to charters; and provided further, in order that equity may be done all members of such association, in the event of reorganization, merger, consolidation, or liquidation of an association, all pending withdrawal applications shall be cancelled. Provided further that in the event of reorganization under a Federal Act where all the

assets of the building and loan association being reorganized are to be converted, merged or consolidated with the new corporation, the Texas charter of such building and loan association shall be cancelled and held for naught upon the completion of the reorganization plan."

Sec. 2. That Section 38, Chapter 61, Acts of the Second Called Session of the 41st Legislature, as amended by Section 4 of Chapter 18, Acts of the Third Called Session of the 42nd Legislature, be and the same is hereby amended so as to hereafter read as follows:

'Sec. 38. INVESTMENT OF FUNDS—Subject to the provisions of this Act, any building and loan association may invest the funds received by it, as follows:

1. In loans to its members upon their notes, in such form as the board of directors may determine, and secured by the transfer and pledge to the association of its free shares, upon which shares the association shall have a lien to secure the loan, provided, that loans that are secured solely by the transfer and pledge of shares shall not exceed 75% of the withdrawal value of such shares.

2. In real estate loans secured by a mortgage, deed of trust or other instrument creating and/or constituting a first lien on improved real estate situated in this State. Borrowers shall be required to execute their note or obligation payable directly to the association, and such loans shall be made repayable in monthly installments sufficient to amortize the same, paying off interest and principal in not less than five (5) nor more than twenty (20) years, which monthly installments shall be applied first to the interest due on the unpaid balance of the debt, and the remainder of the payment to the unpaid principal thereof until the same is paid in full.

Instead of such direct reduction loan, the association may require the borrower to subscribe an amount of shares having a maturity value equal to the amount of the loan, and take a note or obligation of the borrower to mature upon the maturity of such shares, and shall require a monthly payment sufficient to pay the interest on the note and estimated to mature the shares within the time specified, and, in

such case, the association shall have a lien on such shares to secure the debt, and upon the maturity of the shares shall transfer the amount to the credit thereof in extinguishment of the debt and shall cancel and relinquish the security; provided, that subject to the approval of the Commissioner, the number of payments of dues, interest and premiums required from the borrowing shareholder to pay off his loan and secure a release may be limited to such a definite number as the by-laws provide.

No loan made under the provisions of this section secured by improved real property shall exceed eighty (80%) per cent of the appraised valuation of such real property, the appraisal to be made in writing by an appraiser or committee of appraisers selected by the association, which appraisal report shall state the conservative valuation of the real property and the improvements separately, and such report shall be filed as a permanent record of the association.

Associations having a loan secured by a first lien upon real property may make further and additional loans secured by subsequent and junior liens upon the same security, provided, that the total of the indebtedness held by the association, and so secured, shall not exceed the maximum limit of eighty (80%) per cent of the appraised value, new appraisals being required to be made at the time of the last additional advance.

Associations may pay taxes, assessments, insurance premiums, and other similar charges for the protection of its interest in property on which it has loans, and may carry such advances upon its books as an asset of the association, and charge and collect interest upon such advances, and such association shall have a good and valid lien against such real property and shares of the association owned by the borrower to secure the payment of the funds so advanced; or such payments may be added to the unpaid balance of the loan as of the first of the month in which such payments are made.

No premium for real estate loans may be charged unless provided for in the by-laws and the amount to be collected agreed to be paid in writing by the borrower.

All notes and mortgages taken by the association shall be deemed to obligate the maker to the performance of and compliance with the provisions of this Act and by-laws of the association relating to the payment of loans, premiums, interest, dues, fees and fines, although the same may not be fully expressed therein; and all borrowers of a building and loan association shall be deemed and held to be members thereof, and shall be permitted to cast the number of votes for each share held or subscribed as may be provided in the charter and by-laws of the association, but shall nevertheless be entitled to cast a vote in all matters for action by members whether they hold any shares or not.

From and after the passage of this Act, at least eighty (80%) per cent of the loans hereafter made under sub-section "2" hereof shall be loans secured by first mortgages upon real property upon which there is located a dwelling or dwellings for not more than four families, or combination dwelling of such type and business property.

3. In loans and advances of credit and obligations representing loans and advances of credit as are insured pursuant to the provisions of Title One (1) and/or Title (2) of the Act of Congress, entitled "National Housing Act" approved on June 27th, 1934, and building and loan associations are authorized and empowered to contract for and to obtain such insurance, such loans, advances and investments to be made subject to such additional regulations as may be prescribed by the Banking Commissioner; provided, that no law of this State prescribing the nature, amount, or form of security or requiring security upon which loans or advances of credits may be made by building and loan associations, or prescribing or limiting interest rates upon loans or advances of credit, or prescribing or limiting the period for which loans or advances of credit may be made, shall be deemed to apply to loans, advances of credit or purchases of obligations made pursuant to sub-section "3" (three) hereof; and provided further, building and loan associations are authorized and empowered to secure insurance protection for their members from the Federal Savings and Loan Insurance

Corporation pursuant to Title Four (4) of such "National Housing Act."

4. In real property as follows: (a) Any building and loan association having assets of five hundred thousand (\$500,000.00) dollars or more may, with the approval of the Banking Commissioner, permanently invest a portion of its funds in the purchase of lands and the erection of buildings for the purpose of providing offices for the transaction of its business from portions of which, not required for its own uses, a revenue may be derived, provided, that the amount so invested shall not exceed five (5%) per cent of all other assets of the association; (b) such real property as shall be conveyed to it in satisfaction of debts previously contracted in the course of its business; (c) such real property as it shall purchase at sales under foreclosure at any sheriff's or other judicial sale, or at any other sale; public or private upon which property the association may have or hold any mortgage lien, or other encumbrance or in which the association may have any interest for the purpose of collecting any debt due it, and/or for the protection of its interest in such real property.

Real property may be acquired and sold in accordance with the provisions of Section 27 hereof, provided, that when sold by the association under a 'contract of sale' the amount due the association under the terms of the contract may be entered and carried as an asset upon its books, but at no time shall the contract be considered as having an asset value greater in amount than the sales price agreed upon in the contract, or greater in amount than the value at which such property sold was permitted to be carried upon the books of the association in accordance with the provisions of Section 27 hereof, whichever value is less.

The restrictions imposed by this Act shall not be construed to prevent an association in order to protect itself from a loss upon a loan or investment previously made, from acquiring ownership of, or otherwise taking and holding, any kind, of property or security whether real or personal.

5. If at any time an association has funds in its treasury applicable

for loans and investments, which funds are deemed to be in excess of the amount needed for types of loans and investments hereinbefore enumerated, and for the payment of matured shares and withdrawal requests, such association may invest its funds (a) in loans secured by a first lien upon improved real property situated in this State which may be term loans or loans providing for other methods of repayment than monthly installments, but which may not provide a longer maturity period than five years from the date of the loan, and which loans, in each instance, shall not exceed fifty (50%) per cent of the conservative appraised value of the real property securing the loan, the value to be determined in the manner provided in this Act: (b) in bonds, debentures, securities and other obligations of Federal Home Loan Banks, the Home, Owners Loan Corporation Federal Savings and Loan Insurance Corporation, stock of any National Mortgage Association, created under the National Housing Act or any amendment thereto, and the obligations of any instrumentality of the United States of America if the obligation's principal and interest be guaranteed by the United States, and provided, that such bonds, debentures and obligations may be carried as an asset upon the books of the association at the price of acquisition, but not greater than par value; (c) in such other securities as are authorized to be accepted for investment by savings banks and the departments for savings of state banks in this State; (d) in short term loans to and in the shares of other building and loan associations incorporated under this Act and of Federal Savings and Loan Associations located in this State, such loans and such investments to be made only when approved by the Banking Commissioner.

No loans shall be made at any time that are secured by personal security or upon leaseholds except as may be specifically authorized under sub-section "3" of this section of the building and loan act and applying to such loans and advances of credit as may be insured under Titles One and/or Two of the "National Housing Act."

At no time shall the aggregate amount of funds invested by any as-

sociation in the loans and securities and investments authorized under sub-divisions five (5) hereof exceed twenty-five (25%) per cent of the gross assets of the association.

6. A reasonable amount in furniture and fixtures necessary for the conduct of the association's business against which must be charged annually a sufficient depreciation, and which annual depreciation shall not be less than ten (10%) per cent of the original cost of such furniture and fixtures.

7. It shall be lawful for any building and loan association heretofore or hereafter incorporated under the laws of this State to become a member of the Federal Home Loan Bank, under the provisions of the act of Congress known as the "Federal Home Loan Bank Act," approved July 22, 1932; and such association may subscribe for, purchase, hold and surrender from time to time, such amounts of the capital stock of such Federal Home Loan Bank as such association may deem advisable, and do such other things as may be required or permitted under said Act, or any amendment thereto, in order to obtain and continue such membership; and to assume all the duties, obligations, responsibilities and liabilities and become entitled to all the benefits provided in said "Federal Home Loan Bank Act" and amendments which may be made thereto.

Nothing herein shall be construed as preventing or restricting the deposit of cash funds of the association with any state or national banking association or with the Federal Home Loan Bank in which such association holds membership.

Sec. 3. That Section 40, Chapter 61, Acts of the Second Called Session of the Forty-first Legislature, as amended by Section 1 of Chapter 51, Acts of the Fifth Called Session of the Forty-first Legislature, be and the same is hereby amended so as to hereafter read as follows:

"Sec. 40. Repayment of Loans.—Any loan made by a building and loan association may be repaid at any time after three months have elapsed from the time of making such loan, provided the borrower shall pay the principal due thereon (less the withdrawal value of the shares transferred as security therefor), loan expenses, the premium due and the in-

terest accrued at the time of such repayment, and all sums advanced by the association for taxes, assessments or insurance premiums, with interest thereon; and in addition thereto interest on the principal repaid for the period of three months after the date of repayment. Any borrower desiring to retain the shares may repay his loan without claiming credit for the withdrawal value of such shares, whereupon such shares shall be retransferred to the borrower and shall be free from any claim by reason of said loan. If any such association is in the process of either voluntary or involuntary liquidation, the payments made by such borrower, plus credited dividends, less any lawful fees, fines, penalties or advances owing by such member on his shares of stock, shall be applied on the indebtedness owing by such borrower, who shall have the same time for payment at the same rate of interest as would have been required if said association were not in liquidation. Provided, however, that all building and loan associations may rewrite any loan heretofore or hereafter made in such manner as to reduce the rate of interest which the borrower has theretofore obligated himself to pay if a majority of the board of directors of the building and loan association so desires.

Sec. 4. That Section 55, Chapter 61, Acts of the Second Called Session of the Forty-first Legislature be and the same is hereby amended so as to hereafter read as follows:

"Sec. 55. Consolidation.—At the annual meeting or at any meeting called for that purpose, any two or more building and loan associations organized under the laws of this State or any one or more building and loan associations organized under the laws of this State and any Federal savings and loan association may by vote of two-thirds of all shareholders of each of the different associations, resolve to consolidate into one association under either the State or Federal laws upon such terms as shall be mutually agreed upon by the directors of such associations; or any such association may transfer its engagements, funds and property to any other such association either State or Federal upon such terms as may be agreed upon by its Board of Directors, when approved by two-thirds of all the shares of all members convened in special

meeting for that purpose, the notice sent to each member of record specifically stating the object of the meeting; if such notice shall state affirmatively the terms upon which such consolidation is contemplated and shall state that any member not present at the meeting in person or by representative will be regarded as having voted for the transfer or consolidation, such absent member shall be counted as being among the required two-thirds affirmative vote; but such transfer shall not prejudice the right of any creditor of any such association to have payment of his debt out of the assets and property thereof, nor shall any creditor be thereby deprived of or prejudiced in any right of action then existing against the officers or directors of said association for any neglect or misconduct; providing that the reorganized association shall be liable for all obligations to stockholders of the associations existing prior to such consolidation, and providing, further, that no consolidation or transfer provided herein shall take effect until the terms and conditions have been approved by the Banking Commissioner of Texas, and until a copy of the resolution, certified by a majority of the board of directors of each association, shall be filed with said Banking Commissioner of Texas, and recorded in the same manner hereinbefore provided for amendments to charters. Provided, further, that in the event the association, or associations, are to operate under a Federal Act after their consolidation, the Texas charter of any such association or associations shall be cancelled and held for naught upon the completion of the consolidation.

Sec. 5. That Sections 55, Chapter 61, Acts of the Second Called Session of the Forty-first Legislature be further amended by adding thereto Section 55-A, said section to read as follows:

"Sec. 55-A. Conversion.—1. Any building and loan association chartered and operating under the laws of the State of Texas, by whatever name or style it may be designated, eligible to become a Federal Savings and Loan Association under any Federal Act, may convert itself into a Federal Savings and Loan Association by following the procedure hereinafter outlined.

(a) At any regular meeting of the shareholders of any such association, or any special meeting of the

shareholders of such association, in either case called to consider such action and held in accordance with the laws governing such associations, such shareholders, by an affirmative vote of two-thirds of all the shares of all members convened, either in person or by proxy, at the meeting for that purpose, the notice sent to each member of record stating specifically the object of the meeting, may declare by resolution the determination to convert the said association into a Federal Savings and Loan Association. *

(b) A copy of the minutes of such meeting of the shareholders verified by the affidavit of the president, or vice-president and of the secretary, of the meeting shall be filed within ten (10) days after said meeting with the Banking Commissioner of the State of Texas. Such verified copy of the minutes of such meeting, when so filed, shall be prima facie evidence of the holding of such meeting and the action of the shareholders with reference to the conversion of the association into a Federal Savings and Loan Association.

(c) Within a reasonable time and without any unnecessary delay after the adjournment of such meeting of the shareholders, such association shall take such action as may be necessary to make it a Federal Savings and Loan Association and within ten days after receipt of the Federal charter there shall be filed in the office of the Banking Commissioner of the State of Texas a copy of said charter issued to such association by the Federal Home Loan Bank Board, or a certificate showing the organization of such association as a Federal Savings and Loan Association, certified by, or in behalf of, the Federal Home Loan Bank Board. Upon the filing of such instrument such association shall cease to be a State Building and Loan Association and its Texas charter shall automatically be cancelled and held for naught, and said association shall thereafter be a Federal Savings and Loan Association.

(d) At the time when such conversion becomes effective, as hereinabove provided, said association shall cease to be supervised by this State and all the property of such association, including all of its right, title and interest in and to all property of every kind and character, whether real, personal or mixed, shall im-

mediately by operation of law and without any conveyance or transfer whatever, and without any further act or deed, continue to be vested in said association under its new name and style as a Federal Savings and Loan Association and under its new jurisdiction; and said Federal Savings and Loan Association shall have, hold and enjoy the same in its own right as fully and to the same extent as the same was possessed, held and enjoyed by it as a State association and said Federal Savings and Loan Association at the time of the taking effect of such conversion, shall continue responsible for all of the indebtedness of said State association to the same extent as though said conversion had not taken place; it being expressly declared that the said Federal Savings and Loan Association shall be a mere continuation of the said State association under a new name and new jurisdiction, and such revision of its corporate structure as may be necessary for its proper operation under said new jurisdiction.

2. Any Federal Savings and Loan Association chartered and operating under a Federal Act, otherwise eligible to become a State building and loan association, may convert into a State association in accordance with Federal laws and subject to examination and approval by the Banking Commissioner of the State of Texas.

Sec. 6. In the event that any section, paragraph, sentence or clause or part of this Act shall for any reason be adjudged by any court of competent or final jurisdiction to be invalid such judgment shall not affect, impair or invalidate the remainder of this Act but shall be confined in its operation to the section, clause, sentence, paragraph or part thereof directly involved in the controversy in which such judgment shall have been rendered.

Sec. 7. The imperativeness of this legislation, and the fact that its enactment is necessary in order that building and loan associations chartered and operating under the laws of Texas be permitted to fully cooperate and participate in the Federal Housing Administration Program, creates an emergency and an imperative public necessity that this bill be immediately passed and immediately become effective and that the constitutional rule requiring bills to be read on three several days in

each House be suspended and said rule is hereby suspended and this Act shall take effect and be in force from and after its passage, and it is so enacted.

Amendment No. 2.

Amend S. B. No. 97 by striking out all above the enacting clause and inserting in lieu thereof, the following:

An Act to amend Section 21-A, Chapter 18, Acts of the Third Called Session of the 42nd Legislature, so as to provide that building and loan associations organized under the laws of this State may hereafter reorganize, either under the laws of this State or any Federal Act; providing that if after reorganization the association is to operate under a Federal Act the Texas charter of such association upon completion of the reorganization shall be automatically cancelled and held for naught; To amend Section 38, Chapter 61, Acts of the Second Called Session of the 41st Legislature as amended by Section 4, Chapter 18, Acts of the Third Called Session of the 42nd Legislature, so as to provide the kind, character and amount of security necessary to secure a loan and the purpose for which building and loan associations may invest their funds, setting forth certain rules, regulations and requirements and providing that nothing herein shall be construed as preventing the deposit of cash funds of the association with any State or National Banking Association, or with the Federal Home Loan Bank in which such association holds membership; To amend Section 40, Chapter 61, Acts of the Second Called Session of the 41st Legislature as amended by Chapter 51, Acts of the Fifth Called Session of the 41st Legislature, so as to provide that building and loan associations may rewrite its loans and reduce the interest rate thereon with the consent of its Board of Directors; To amend Section 55, Chapter 61, Acts of the Second Called Session of the 41st Legislature, so as to provide that State building and loan associations may consolidate with Federal Savings and Loan Associations and that Federal Savings

and Loan Associations may consolidate with State associations; providing further that if the consolidation be with a Federal Savings and Loan Association, the charter of the Texas association shall, upon consolidation, be automatically cancelled and annulled; and further amending Section 55, supra, by adding thereto a new section to be known as Section 55-A, providing for the conversion of State building and loan associations into Federal Savings and Loan Associations, prescribing the procedure therefor, defining the results thereof and providing for indebtedness of such associations, and that Federal Savings and Loan Associations may convert into State associations after examination and approval of the Banking Commissioner; Providing for the rule of construction and declaring an emergency.

Motion to Lay on Table.

Senator Oneal moved that S. B. No. 97 be laid on the table subject to call and the amendments be printed in the Journal.

The motion prevailed by viva voce vote.

Senate Bill No. 98.

The Chair laid before the Senate on its second reading the following bill, which had been set for special order today after the morning call.

By Senators Hopkins and Blackert:

S. B. No. 98, A bill to be entitled "An Act to amend Article 4993, Revised Civil Statutes of 1925, and declaring an emergency."

The committee report recommending that the bill be printed was adopted by unanimous consent.

The bill was read second time and passed to engrossment by viva voce vote.

On motion of Senator Hopkins the constitutional rule requiring bills to be read on three several days was suspended and S. B. No. 98 was put on its third reading and final passage by the following vote:

Yeas—30.

Beck.	Collie.
Blackert.	Cotten.
Burns.	Davis.

DeBerry.	Poage.
Duggan.	Rawlings.
Fellbaum.	Redditt.
Hill.	Regan.
Hopkins.	Sanderford.
Hornsby.	Shivers.
Hughston.	Small.
Martin.	Stone.
Moore.	Sulak.
Neal.	Van Zandt.
Oneal.	Westerfeld.
Pace.	Woodruff.

Nays—1.

Holbrook.

Read third time and finally passed by the following vote:

Yeas—30.

Beck.	Neal.
Blackert.	Oneal.
Burns.	Pace.
Collie.	Poage.
Cotten.	Rawlings.
Davis.	Redditt.
DeBerry.	Regan.
Duggan.	Sanderford.
Fellbaum.	Shivers.
Hill.	Small.
Hopkins.	Stone.
Hornsby.	Sulak.
Hughston.	Van Zandt.
Martin.	Westerfeld.
Moore.	Woodruff.

Nays—1.

Holbrook.

Senate Bill No. 99.

The Chair laid before the Senate on its second reading the following bill, which had been set for special order today, after the morning call.

By Senators Hopkins and Blackert:

S. B. No. 99, A bill to be entitled "An Act to amend Acts of 1933, General Laws, Forty-third Legislature, Regular Session, Chapter 160, page 406, and declaring an emergency."

The committee report recommending that the bill be printed was adopted by unanimous consent.

The bill was read second time and passed to engrossment by viva voce vote.

On motion of Senator Hopkins the constitutional rule requiring bills to be read on three several days was suspended and S. B. No. 99 was put

on its third reading and final passage by the following vote:

Yeas—30.

Beck.	Neal.
Blackert.	Oneal.
Burns.	Pace.
Collie.	Poage.
Cotten.	Rawlings.
Davis.	Redditt.
DeBerry.	Regan.
Duggan.	Sanderford.
Fellbaum.	Shivers.
Hill.	Small.
Hopkins.	Stone.
Hornsby.	Sulak.
Hughston.	Van Zandt.
Martin.	Westerfeld.
Moore.	Woodruff.

Nays—1.

Holbrook.

Read third time and finally passed by the following vote:

Yeas—30.

Beck.	Neal.
Blackert.	Oneal.
Burns.	Pace.
Collie.	Poage.
Cotten.	Rawlings.
Davis.	Redditt.
DeBerry.	Regan.
Duggan.	Sanderford.
Fellbaum.	Shivers.
Hill.	Small.
Hopkins.	Stone.
Hornsby.	Sulak.
Hughston.	Van Zandt.
Martin.	Westerfeld.
Moore.	Woodruff.

Nays—1.

Holbrook.

House Bill No. 226.

The Chair recognized Senator Hill to take up H. B. No. 226:

H. B. No. 226, A bill to be entitled "An Act amending H. B. No. 49, Chapter 23, enacted by the First Called Session of the Forty-second Legislature, and brought forward in the codification of the statutes as Section 124 of Article 199, Revised Statutes; creating the One Hundred and Twenty-fourth Judicial District to be constituted of Gregg County, Texas, only; providing for the terms thereof; providing that such amendment should take the place of H. B. No. 49, Chapter 23, Section

124, of Article 199, enacted by the First Called Session of the Forty-second Legislature; providing that such amendment, in so far as it affects the creation of the One Hundred and Twenty-fourth Judicial District of Gregg County, Texas, the appointment of a suitable judge therefor, and other matters relating to the duties of said court, or affecting the same, should not become operative until August 13, 1935, etc., and declaring an emergency."

The committee report recommending that the bill be not printed was adopted by unanimous consent.

The bill was read second time.
Left pending.

Recess.

On motion of Senator Stone the Senate at 12:30 o'clock p. m., recessed until 2:45 o'clock p. m.

After Recess.

The Senate met at 2:45 o'clock p. m., pursuant to recess and was called to order by Lieutenant Governor Walter F. Woodul.

House Bill No. 226.

Pending business was the engrossment of H. B. No. 226.

On motion of Senator Hill, H. B. No. 226 passed to third reading by viva voce vote.

The Chair laid before the Senate on its second reading the following bill:

On motion of Senator Hill the constitutional rule requiring bills to be read on three several days was suspended and H. B. No. 226 was put on its third reading and final passage by the following vote:

Yeas—29.

Beck.	Hornsby.
Blackert.	Hughston.
Burns.	Martin.
Collie.	Moore.
Cotten.	Neal.
Davis.	Oneal.
DeBerry.	Pace.
Duggan.	Rawlings.
Fellbaum.	Redditt.
Hill.	Regan.
Holbrook.	Sanderford.
Hopkins.	Shivers.

Stone.
Sulak.
Van Zandt.

Westerfeld.
Woodruff.

Nays—1.

Poage.

Absent—Excused.

Small.

Read third time and finally passed
by the following vote:

Yeas—27.

Beck.	Moore.
Blackert.	Neal.
Burns.	Oneal.
Cotten.	Pace.
Collie.	Rawlings.
Davis.	Redditt.
Duggan.	Regan.
Fellbaum.	Sanderford.
Hill.	Shivers.
Holbrook.	Stone.
Hopkins.	Van Zandt.
Hornsby.	Westerfeld.
Hughston.	Woodruff.
Martin.	

Nays—3.

DeBerry. Sulak.
Poage.

Absent—Excused.

Small.

Senate Bill No. 27.

Senator Regan asked unanimous
consent to take up S. B. No. 27 out
of regular order.

Consent was granted.

By Senator Regan:

S. B. No. 27, A bill to be entitled
"An Act making an appropriation of
one thousand (\$1000.00) dollars to
be used by the Commissioner of the
General Land Office for binding and
repairing records and documents of
the General Land Office; and declar-
ing an emergency."

Senator Regan moved to suspend
the constitutional rule requiring
bills to lie over 30 days before con-
sideration by a committee with refer-
ence to S. B. No. 27, and that the
committee to which it was referred,
report it back to the Senate after the
next meeting of the committee.

The motion prevailed by the fol-
lowing vote:

Yeas—30.

Beck.	Moore.
Blackert.	Neal.
Burns.	Oneal.
Collie.	Pace.
Cotten.	Poage.
Davis.	Rawlings.
DeBerry.	Redditt.
Duggan.	Regan.
Fellbaum.	Sanderford.
Hill.	Shivers.
Holbrook.	Stone.
Hopkins.	Sulak.
Hornsby.	Van Zandt.
Hughston.	Westerfeld.
Martin.	Woodruff.

Absent—Excused.

Small.

Senate Bill No. 50.

Senator Regan asked unanimous
consent to take up S. B. No. 50 out
of regular order.

Consent was granted.

By Senator Regan:

S. B. No. 50, A bill to be entitled
"An Act providing for the relief of
Eagle Pass Independent School Dis-
trict of Maverick County, Texas, in
order to aid the school district in
accommodating the large growth of
population due to the development
of Quemado Valley Irrigation Settle-
ment which covers a portion of the
Eagle Pass Independent School Dis-
trict of 1934; making appropriation
of eighty-five hundred (\$8,500.00)
dollars to said district for said pur-
poses, and declaring an emergency."

Senator Regan moved to suspend
the constitutional rule requiring
bills to lie over 30 days before con-
sideration by a committee, as to S.
B. No. 50, and that the committee
to which it was referred report it
back to the Senate after the next
meeting of the committee.

The motion prevailed by the fol-
lowing vote:

Yeas—26.

Beck.	Hopkins.
Blackert.	Hornsby.
Burns.	Martin.
Collie.	Moore.
Cotten.	Neal.
Davis.	Pace.
Duggan.	Rawlings.
Fellbaum.	Redditt.
Hill.	Regan.
Holbrook.	Sanderford.

Shivers.
Stone.
Sulak.

Van Zandt.
Westerfeld.
Woodruff.

Nays—4.

DeBerry.
Hughston.

Oneal.
Poage.

Absent—Excused.

Small.

Senate Bill No. 78.

Senator Sulak asked unanimous consent to take up and consider S. B. No. 78.

Consent was granted.

S. B. No. 78 was read second time.

Motion to Lay on Table.

Senator Sulak moved that S. B. No. 78 be laid on the table subject to call and be printed in the Journal.

The motion prevailed by viva voce vote.

Senate Bill No. 79.

Senator Sulak called up S. B. No. 79, which was read the second time.

Motion to Lay on Table.

Senator Sulak moved that S. B. No. 79 be laid on the table subject to call and be printed in the Journal.

The motion prevailed by viva voce vote.

Senate Resolution No. 22.

The Chair laid before the Senate S. R. No. 22.

Motion to Reconsider.

Senator Cotten moved to reconsider the vote by which the Burns amendment to Rule 102 was tabled.

Point of Order.

Senator DeBerry raised a point of order that the motion to table was final.

The Chair sustained the point of order.

Rule 102.

Senator Moore sent up the following amendment to Rule 102:

Amend Section 102 by striking out

all of such section after the words "and the absentees."

MOORE,
BURNS.

The amendment was read.

Point of Order.

Senator Collie raised the point of order that the amendment was out of order for the reason that the same had been previously considered and tabled.

The Chair sustained the point of order.

Senate Resolution No. 22.

Senator Stone sent up the following amendment to S. R. No. 22: Amend S. R. No. 22 by striking out section 102.

STONE.

Read.

Motion to Table.

Senator DeBerry moved to table the amendment by Senator Stone.

The motion to table lost by the following vote:

Yeas—13.

Beck.	Oneal.
Blackert.	Pace.
Collie.	Poage.
DeBerry.	Rawlings.
Hornsby.	Westerfeld.
Hughston.	Woodruff.
Neal.	

Nays—14.

Burns.	Moore.
Cotten.	Redditt.
Davis.	Regan.
Fellbaum.	Sanderford.
Hill.	Stone.
Holbrook.	Sulak.
Martin.	Van Zandt.

Absent.

Duggan.	Shivers.
Hopkins.	

Absent—Excused.

Small.

Motion to Adopt.

Senator Stone moved the adoption of the amendment to S. R. No. 22.

The amendment by Senator Stone failed of adoption by the following vote:

Yeas—12.

Burns.	Martin.
Cotten.	Moore.
Davis.	Regan.
Fellbaum.	Sanderford.
Hill.	Stone.
Holbrook.	Van Zandt.

Nays—15.

Beck.	Oneal.
Blackert.	Pace.
Collie.	Poage.
DeBerry.	Rawlings.
Duggan.	Redditt.
Hornsby.	Westerfeld.
Hughston.	Woodruff.
Neal.	

Absent.

Hopkins.	Sulak.
Shivers.	

Absent—Excused.

Small.

Motion to Reconsider.

Senator Woodruff moved to reconsider the vote by which the amendment by Senator Stone failed of adoption.

Motion to Table.

Senator Poage moved to table the motion to reconsider.

The motion to table prevailed by viva voce vote.

Rules 96 to 101.

Senator Moore sent up the following amendment to S. R. No. 22:

Amend S. R. No. 22 by striking out Sections 96 to 101, both inclusive, and substituting in lieu thereof a new section to be known as Rule 96, to read as follows:

"The Constitution Procedure with reference to the introduction, reference to a committee, and consideration of bills is hereby suspended, and it shall be in order at any time during the Regular Session of the Forty-fourth Legislature to introduce, refer to committee, have considered by committee, and for the Senate to finally act on any bill at any time subject to the Rules of the Senate."

MOORE,
BURNS.

The amendment was read.

Substitute Amendment.

Senator DeBerry sent up the following substitute for Burns amendment:

"Amend S. R. No. 22 by striking out Section 96 through 101, inclusive, and renumbering succeeding sections so as to appear in numerical sequence."

DeBERRY.

Motion to Table.

Senator Holbrook moved to table the DeBerry amendment.

The motion to table lost by the following vote:

Yeas—13.

Burns.	Hornsby.
Cotten.	Martin.
Davis.	Moore.
Duggan.	Sulak.
Fellbaum.	Van Zandt.
Hill.	Woodruff.
Holbrook.	

Nays—14.

Blackert.	Poage.
Collie.	Rawlings.
DeBerry.	Redditt.
Hopkins.	Regan.
Hughston.	Sanderford.
Oneal.	Stone.
Pace.	Westerfeld.

Absent.

Beck.	Shivers.
Neal.	

Absent—Excused.

Small.

The DeBerry amendment was adopted by the following vote:

Yeas—17.

Beck.	Pace.
Blackert.	Poage.
Collie.	Rawlings.
DeBerry.	Redditt.
Duggan.	Regan.
Hopkins.	Sanderford.
Hughston.	Stone.
Neal.	Westerfeld.
Oneal.	

Nays—12.

Burns.	Hill.
Cotten.	Holbrook.
Davis.	Hornsby.
Fellbaum.	Martin.

Moore. Van Zandt.
Sulak. Woodruff.

Absent.

Shivers.

Absent—Excused.

Small.

The amendment as amended was adopted by viva voce vote.

Rule 102.

Senator Stone sent up the following amendment:

Amend S. R. No. 22 by changing Section 102 as follows:

"A bulletin board shall be prepared and placed in hallway immediately to the rear of the Senate Chamber room upon which shall be posted the time for meetings of all committees and immediately after giving of notice of any committee hearing the Secretary of the Senate shall have the time for said meeting posted on said board."

STONE.

Read and adopted.

Senator Cotten sent up the following amendment:

Amend S. R. No. 22 by adding a new section to be known as follows:

"Section 5, Article 3 of the Constitution of the State of Texas, as to procedure, is hereby suspended, and it shall be in order to introduce bills and resolutions at any time during the first sixty (60) legislative days of the Regular Session of the Forty-fourth Legislature, and to refer same to appropriate committee, receive committee reports thereon, and consider said reports in due order of business under the Rules of the Senate; provided, that after the first 60 legislative days except by a four-fifths (4/5) affirmative vote of the members elected, only local bills, bills or resolutions appropriating public funds and emergency matters submitted by the Governor may be introduced and/or referred to committee."

COTTEN,
VAN ZANDT.

Motion to Table.

Senator Rawlings moved to table the amendment by Senator Cotten.

The motion to table lost by the following vote:

Yeas—12.

Beck.	Pace.
Collie.	Poage.
DeBerry.	Rawlings.
Hopkins.	Redditt.
Hughston.	Sanderford.
Oneal.	Westerfeld.

Nays—16.

Burns.	Martin.
Cotten.	Moore.
Davis.	Neal.
Duggan.	Regan.
Fellbaum.	Stone.
Hill.	Sulak.
Holbrook.	Van Zandt.
Hornsby.	Woodruff.

Absent.

Blackert.	Shivers.
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Absent—Excused.

Small.

Messages From the House.

The Chair recognized the Door-keeper who introduced a messenger from the House with the following messages:

Hall of the House of Representatives,
Austin, Texas, Jan. 23, 1935.

Hon. Walter F. Woodul, President of the Senate.

Sir: I am directed by the House to inform the Senate that the House has passed the following resolution: S. C. R. No. 8, Inviting the Hon. Hal H. Sevier to address the Legislature at such time that will suit his convenience.

Respectfully submitted,

LOUISE SNOW PHINNEY,
Chief Clerk, House of Representatives.

Hall of the House of Representatives,
Austin, Texas, Jan. 23, 1935.

Hon. Walter F. Woodul, President of the Senate.

Sir: I am directed by the House to inform the Senate that the House has passed the following bill:

H. B. No. 55, A bill to be entitled "An Act abolishing and repealing the law of severance in all criminal cases in this State; repealing Articles 650, 651, 652, and 653 of the Code of Criminal Procedure of the State of Texas, as revised in 1925, and repealing Article 82 and Article 711, Penal Code of the State of Texas, as revised

in 1925, and declaring an emergency."

Respectfully submitted,
LOUISE SNOW PHINNEY,
Chief Clerk, House of Representatives.

Resolution Signed.

The Chair, Lieutenant Governor Walter F. Woodul, gave notice of signing, and did sign, in the presence of the Senate, after its caption had been read, the following resolution:

S. C. R. No. 8.

Bill Referred.

H. B. No. 55, was read and referred to the Committee on Criminal Jurisprudence.

Adjournment.

On motion of Senator Rawlings, the Senate at 5:45 o'clock p. m. adjourned until 10:00 o'clock a. m. Thursday.

APPENDIX.

Committee on Enrolled Bills.

Committee Room,
Austin, Texas, Jan. 23, 1935.
Hon. Walter F. Woodul, President of the Senate.

Sir: We, your Committee on Enrolled Bills, have had S. C. R. No. 8 carefully examined and compared and find same correctly enrolled.

POAGE, Chairman.

Committee on Engrossed Bills.

Committee Room,
Austin, Texas, Jan. 23, 1935.
Hon. Walter F. Woodul, President of the Senate.

Sir: We, your Committee on Engrossed Bills have had S. B. No. 95 carefully examined and compared and find same correctly engrossed.

DAVIS, Chairman.

Committee Room,
Austin, Texas, Jan. 23, 1935.
Hon. Walter F. Woodul, President of the Senate.

Sir: We, your Committee on Engrossed Bills, have had S. B. No. 92 carefully examined and compared and find same correctly engrossed.

DAVIS, Chairman.

Committee Room,
Austin, Texas, Jan. 23, 1935.
Hon. Walter F. Woodul, President of the Senate.

Sir: We, your Committee on Engrossed Bills, have had S. B. No. 94 carefully examined and compared and find same correctly engrossed.

DAVIS, Chairman.

Committee Room,
Austin, Texas, Jan. 23, 1935.
Hon. Walter F. Woodul, President of the Senate.

Sir: We, your Committee on Engrossed Bills, have had S. B. No. 98 carefully examined and compared and find same correctly engrossed.

DAVIS, Chairman.

Committee Room,
Austin, Texas, Jan. 23, 1935.
Hon. Walter F. Woodul, President of the Senate.

Sir: We, your Committee on Engrossed Bills, have had S. B. No. 96 carefully examined and compared and find same correctly engrossed.

DAVIS, Chairman.

Committee Room,
Austin, Texas, Jan. 23, 1935.
Hon. Walter F. Woodul, President of the Senate.

Sir: We, your Committee on Engrossed Bills, have had S. B. No. 93 carefully examined and compared and find same correctly engrossed.

DAVIS, Chairman.

Committee Room,
Austin, Texas, Jan. 23, 1935.
Hon. Walter F. Woodul, President of the Senate.

Sir: We, your Committee on Engrossed Bills, have had S. B. No. 81 carefully examined and compared and find same correctly engrossed.

DAVIS, Chairman.

Committee Room,
Austin, Texas, Jan. 23, 1935.
Hon. Walter F. Woodul, President of the Senate.

Sir: We, your Committee on Engrossed Bills, have had S. B. No. 91 carefully examined and compared and find same correctly engrossed.

DAVIS, Chairman.

Committee Room,
Austin, Texas, Jan. 23, 1935.
Hon. Walter F. Woodul, President of the Senate.

Sir: We, your Committee on En-

grossed Bills, have had S. B. No. 99 carefully examined and compared and find same correctly engrossed.

DAVIS, Chairman.

Committee Room,
Austin, Texas, Jan. 22, 1935.
Hon. Walter F. Woodul, President of the Senate.

Sir: We, your Committee on Engrossed Bills, have had S. C. R. No. 8 carefully examined and compared and find same correctly engrossed.

DAVIS, Chairman.

Committee Reports.

Committee Room,
Austin, Texas, Jan. 23, 1935.
Hon. Walter F. Woodul, President of the Senate.

Sir: We your Committee on Criminal Jurisprudence, to whom was referred

S. B. No. 52, A bill to be entitled "An Act amending Article 590 of the Code of Criminal Procedure of the State of Texas, and declaring an emergency."

Have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass and be not printed.

STONE, Chairman.

Committee Room,
Austin, Texas, Jan. 23, 1935.
Hon. Walter F. Woodul, President of the Senate.

Sir: We, your Committee on Criminal Jurisprudence, to whom was referred

S. B. No. 17, A bill to be entitled "An Act amending Article 650, and repealing Article 651 and Article 711 of the Code of Criminal Procedure of the State of Texas, and declaring an emergency."

Have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass and be not printed.

STONE, Chairman.

Committee Room,
Austin, Texas, Jan. 22, 1935.
Hon. Walter F. Woodul, President of the Senate.

Sir: We, your Committee on State Affairs, to whom was referred

S. B. No. 57, A bill to be entitled "An Act authorizing counties, municipalities, political subdivisions

and taxing districts to sell to the Reconstruction Finance Corporation, or any other governmental agency, at less than par, and/or to compromise or adjust bonds held by it by selling and/or exchanging the same to the Reconstruction Finance Corporation, or any other governmental agency, at an agreed price which may be less than par; and declaring an emergency."

Have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass with committee amendment No. 1, and be printed.

PACE, Chairman.

Committee Amendment No. 1.

Amend S. B. No. 57 by striking out Section 1 and substitute the following:

Section 1. That all counties, municipalities, and political subdivisions of this State, which may own bonds or any other obligations or evidences of indebtedness, of an irrigation, levy, drainage, or school district of this State, or of any county, municipality, or other political subdivisions thereof, or that may own any other kind of municipal bonds or evidences of indebtedness, are hereby authorized to sell, compromise or exchange the same to, or with the Reconstruction Finance Corporation or any other agency of the Federal Government, at less than par and/or at a price which may seem just and fair and agreed upon by the owners of such securities, provided, that in all such sales, exchanges or compromises, the bonds, obligations, securities, or evidences of debt so acquired by such Reconstruction Finance Corporation, or other agency of the Federal Government, shall never become a charge against the irrigation, levy, drainage, or school district, or the county or municipality issuing same, for more than the amount paid therefor by said Reconstruction Finance Corporation or other agency of the Federal Government, plus interest at the rate provided for in such securities. The privilege of purchasing, compromising or exchanging such bonds, obligations, or evidences of indebtedness for less than par value, shall only apply to purchases, compromises, or

exchanges made by the Reconstruction Finance Corporation, or by any other agency of the Federal Government, acting through its own representative or through the district, county, municipality or political subdivision obligated to pay such securities.

Committee Room,
Austin, Texas, Jan. 23, 1935.
Hon. Walter F. Woodul, President of the Senate.

Sir: We, your Committee on Agricultural Affairs, to whom was referred

H. C. R. No. 16, Being a resolution providing for recommendation to the Department of Agriculture.

Have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass and be not printed.

DeBERRY, Chairman.

Bills Ordered Printed.

By Sulak.

S. B. No. 78.

A BILL To Be Entitled

An Act amending Article 7941, Revised Civil Statutes, 1925, by adding thereto Article 7941a, authorizing any fresh water supply district which has heretofore been organized under the laws of the State and has issued bonds, and any fresh water supply district hereafter organized and which may issue bonds, to refund such bonds by issuing new coupon bonds for such purpose; prescribing the rate of interest such bonds shall bear, the maturities thereof, and manner of execution; providing for the approval of such bonds by the Attorney General and registration by the Comptroller; and declaring an emergency. Be it enacted by the Legislature of the State of Texas:

Section 1. That Article 7941, Revised Civil Statutes of 1925, be, and the same is hereby amended by adding thereto Article 7941a, as follows:

Any fresh water supply district, which has heretofore been organized under the laws of the State, and has issued bonds, and any fresh water supply district hereafter organized, and which may issue bonds, may, by

consent of the holders thereof, refund any bonds issued by issuing new coupon bonds for that purpose. Such refunding bonds shall not bear a greater rate of interest than the bonds in lieu of which they are issued. Interest shall be evidenced by coupons attached to such bonds, and may be payable annually or semi-annually, within the discretion of its Board of Supervisors; and such refunding bonds shall be payable serially, or otherwise, not exceeding forty years from the date thereof, and shall be issued in denomination of one hundred dollars, or some multiple thereof; and a sufficient tax levy to meet the payment of the principal and interest of said refunding bonds shall be made before delivery thereof, providing the refunding of any bonds shall not affect any taxes already due.

The refunding bonds hereby authorized shall be issued in the manner provided for the execution of fresh water supply district bonds. Any sum to the credit of any sinking fund account on hand shall first be deducted in ascertaining the amount of refunding bonds to be issued, and such money shall in every case be applied to the payment of the outstanding bonds. No refunding bonds shall be issued and delivered until approved by the Attorney General, and registered by the State Comptroller; provided, however, that the Comptroller shall not register such refunding bonds until the old bonds in lieu of which such refunding bonds are issued are presented to him for cancellation; and after the registration of the new bonds the Comptroller shall cancel the old bonds and interest coupons and deliver such new bonds to the proper party or parties; provided, further, that the old bonds may be so presented for cancellation, in installments, and a like amount of the new bonds registered and delivered as is herein provided.

Sec. 2. The fact that there is no law authorizing the issuance of refunding bonds to refund bonds of fresh water supply districts, and the further fact that many such districts have outstanding bonds which are past due and which they are unable to pay on account of inability to collect taxes due such districts, creates an emergency and an imperative

public necessity that the Rule requiring that Bills be read on three several days in each House be suspended, and said rule is hereby suspended and this Act shall take effect and be in force from and after its passage, and it is so enacted.

By Sulak.

S. B. No. 79.

A BILL

To Be Entitled

An Act amending Article 8136, Revised Civil Statutes, 1925, by adding thereto Article 8136a, authorizing any drainage district which has heretofore been organized under the laws of the State and has issued bonds, and any drainage district hereafter organized, and which may issue bonds, to refund such bonds by issuing new coupon bonds for such purpose; prescribing the rate of interest such bonds shall bear, the maturities thereof, and manner of execution; providing for the approval of such bonds by the Attorney General and registration by the Comptroller; and declaring an emergency.

Be it enacted by the Legislature of the State of Texas:

Section 1. That Article 8136, Revised Civil Statutes of 1925, be, and the same is hereby amended by adding thereto Article 8136a, as follows:

Any drainage district, which has heretofore been organized under the laws of the State, and has issued bonds, and any drainage district hereafter organized, and which may issue bonds, may, by consent of the holders thereof, refund any bonds issued by issuing new coupon bonds for that purpose. Such refunding bonds shall not bear a greater rate of interest than the bonds in lieu of which they are issued. Interest shall be evidenced by coupons attached to such bonds, and may be payable annually or semi-annually, within the discretion of the commissioners' court of the county of jurisdiction; and such refunding bonds shall be payable serially, or otherwise, not exceeding forty years from the date thereof, and shall be issued in denomination of one hundred dollars, or some multiple thereof; and a sufficient tax levy to meet the payment of the principal and interest of said refunding bonds shall be made be-

fore the delivery thereof, provided the refunding of any bonds shall not affect any taxes already due.

The refunding bonds hereby authorized shall be executed in the same manner provided for the execution of drainage district bonds. Any sum to the credit of any sinking fund account on hand shall first be deducted in ascertaining the amount of refunding bonds to be issued, and such money shall in every case be applied to the payment of the outstanding bonds. No refunding bonds shall be issued and delivered until approved by the Attorney General and registered by the State Comptroller; provided, however, that the Comptroller shall not register such refunding bonds until the old bonds in lieu of which such refunding bonds are issued are presented to him for cancellation; and after the registration of the new bonds, the Comptroller shall cancel the old bonds and interest coupons, and deliver such new bonds to the proper party or parties; provided, further, that the old bonds may be so presented for cancellation, in installments, and a like amount of the new bonds registered and delivered as is herein provided.

Sec. 2. The fact that there is no law authorizing the issuance of refunding bonds to refund bonds of drainage districts, and the further fact that many such districts have outstanding bonds which are past due and which they are unable to pay on account of inability to collect taxes due such districts, creates an emergency and an imperative public necessity that the rule requiring that Bills be read on three several days in each House be suspended, and said rule is hereby suspended and this Act shall take effect and be in force from and after its passage, and it is so enacted.

TWELFTH DAY.

Senate Chamber,
Austin, Texas,
January 24, 1935.

The Senate met at 10 o'clock a. m., pursuant to adjournment, and was called to order by Lieutenant Governor Walter F. Woodul.

The roll call disclosed a quorum, the following Senators being present: